

New York to Provide Estate Tax Refund to Surviving Gay Spouses

by Frank L. Brunetti on August 5, 2013

In light of the Supreme Court's recent Defense of Marriage Act ruling, many states are quickly adjusting their tax law guidelines to comply with the new mandates. New York is one of the states leading the charge, and recently announced that they will provide an estate tax refund to surviving same-sex spouses, in accordance with the law.

Gov. Andrew Cuomo announced that the New York state tax department will begin issuing refund checks to the surviving spouses of gay marriages who had to pay estate taxes on money or property they inherited from partners because federal law did not recognize their marriages. The refunds may go as far back as 2008. Prior to the DOMA ruling, heterosexual spouses were not subject to estate taxes, while same-sex couples often incurred bills amounting to thousands of dollars. The court's ruling that DOMA is unconstitutional paved the way for all married couples in states that recognize same-sex marriage to be treated equally under the U.S. Tax Code.

New York legalized gay marriage in 2011, and one month after the law was finalized, the state department extended equal rights under the estate tax law to legally married same-sex couples, including to those who married in other states before New York legalized same-sex marriage. However, federal law prevented the state from extending the rights retroactively until the Supreme Court's recent ruling.

"As a result of [the Supreme Court] decision, New York State is now able to issue refund checks to qualified same-sex spouses who were required to pay taxes for no reason other than their sexual orientation," Cuomo said in his announcement.

When asked to provide an estimate for how much money would be refunded, Gov. Cuomo was unable to provide an exact figure, but noted that his administration did not believe it would have a detrimental impact on the state's budget.